

**REMARKS OF**  
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**FOR**  
**UNITED STATES PATENT AND TRADEMARK OFFICE**  
**INTER PARTES REEXAMINATION ROUNDTABLE**  
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## Introduction

These remarks constitute in part a very brief condensation of ideas set forth in my paper, “Giving *Inter Partes* Reexamination A Chance To Work,” to be published in the AIPLA Quarterly Journal Spring 2004 issue. Preprint copies are available for Roundtable participants. I add two additional points.

## Point of View

I and my firm mainly represent startups, venture capital funded companies, pre-IPO companies, and small publicly held companies. These clients have a point of view very different from that of large well-financed enterprises.

## Applicability

Several considerations influence such clients to use reexamination procedures: 1) a potential competitor’s patent blocks the client’s exploitation of a life-or-death line of technology; 2) the potential competitor’s patent appears to be invalid; 3) the cost of litigation is prohibitive; and 3) even the cost of reexamination is so high that there is only one bite at the apple. These influences would push a client to seek *inter partes* reexamination, notwithstanding its drawbacks, because it provides an interactive forum for contesting validity. One crucial fact prevents its use: by and large it is not available.

As the DCPEP talking points note, *inter partes* reexamination is by statute only applicable to patents issued on an original application filed on or after November 29, 1999. The number of patents to which this form of reexamination is applicable is startlingly small.

A back-of-the-envelope calculation based on numbers gleaned from reports available on the PTO's Technology Assessment and Forecast Branch (TAF)<sup>1</sup> web page indicates that, very approximately, 2,000,000 patents are in force. Another calculation of even greater uncertainty indicates that, even more approximately, 125,000 patents are currently subject to *inter partes* reexamination. This latter number represents 6.25% of issued patents.

The DCPEP's Talking Points indicate that since November 2, 2002 the Office has received 18 requests for *ex parte* reexamination per month and fewer than 2 requests for *inter partes* reexamination per month, a ratio of about 10. 6.25% of issued patents is equivalent to a ratio of 16. Within the error bars of the above calculation, the November 29, 1999 cutoff pretty well explains the apparent discrepancy.

As my paper suggests, a constitutional challenge to expanding *inter partes* reexamination would almost certainly fail. Thus to generate real experience as to whether *inter partes* examination would be a procedure of choice, the applicability provision must be amended.

#### Additional Bases For Reexamination

As case law has indicated for some time, some non-traditional prior art falls into the category "printed publication" that can be used to support a request for reexamination. Much of it would require testimonial supplementation, however. A good example is testimony about how the online systems discussed in *Amazon.com v. BarnesandNoble.com*, 239 F.3d 1343, 57 U.S.P.Q.2d 1747 (Fed. Cir. 2001), worked. Allowing evidence of "use by others," oral public presentations outlining the state of the art, and prior sale or use could greatly expand the usefulness of either

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<sup>1</sup> TAF Could undoubtedly produce a better calculation but the conclusion would likely be unchanged.

form of reexamination. Procedures already exist within 37 C.F.R to take into account such evidence for other types of patent proceedings. These are to be found in protests, 37 C.F.R. § 1.291, see MPEP § 2013, and public use proceedings, 37 C.F.R. § 1.292, see MPEP § 720. These could be easily adapted for use in *inter partes* reexamination proceedings.

### Estoppel Issues

Estoppel issues probably count most for potential filers of reexamination requests that are much larger than the types of clients Burns & Levinson LLP represents. Larger industrial entities generally have the financial resources necessary to litigate patent validity in court. Smaller clients would forego the opportunity to litigate such issues in court with little regret.

On the other hand, some simple legislative changes could alleviate the most vexing problems. Current 35 U.S.C. § 315(b) now permits a requester to appeal an adverse decision, after a Board of Patent Appeals and Interferences decision, to the United States Court of Appeals for the Federal Circuit. 35 U.S.C. § 145 permits an applicant to appeal a denial of patentability by the Board of Patent Appeals and Interferences to the United States District Court for the District of Columbia. Extending § 145 to permit requesters (and owners, as § 306 permits for *ex parte* reexamination) to follow this route and assuring discovery would probably satisfy the needs of any requesters rash enough to provoke discovery proceedings. Additionally, legislation could extend the right to a jury trial in such an appeal to those requesters rash enough to seek one.